

UNITED NATIONS DEVELOPMENT PROGRAMME



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(EGY/79/003)

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF EGYPT

Asswan/Berenice Highway and Harbour (EGY/79/003)

Report of the Administrator*

Date of present approval:	January 1979
Starting date of project activities:	January 1979 (Excluding previous assistance)
Planned completion date:	September 1979
To be executed by:	United Nations Development Programme
Government implementing agency:	Asswan Regional Planning Authority
Estimated cost of assistance planned under present approval:	\$470 000
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The current development plans of Egypt recognize the need to reverse the recent trend of mass migration from outlying regions to the capital and its environs. Overpopulation in the Cairo Metropolitan area is severely straining the capacity of basic public services and a redistribution of the high concentration of population in the fertile Nile Delta region is essential if Egypt's natural resources are to be rationally exploited and its citizens assured of the basic necessities of adequate housing, diet, health services, education and employment opportunities.
2. The Eastern Desert, through which the Asswan-Berenice Highway would pass is known to contain a wide variety of minerals, the extent of which has yet to be determined in the first instance due to a lack of adequate transport infrastructure.

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of \$250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

As the Asswan area continues to grow and expand its economic base, automobile ownership and disposable income will increase and considerable recreational travel to the Red Sea would be generated if a good, direct highway were constructed.

3. The Asswan Regional Planning Authority has gathered considerable statistical information concerning economic activities in the region and has compiled numerous papers proposing specific development projects relating to the Asswan-Berenice highway and port. No studies exist, however, in the detail necessary to demonstrate clearly the economic viability of these proposed projects and the Government requested UNDP assistance in the matter. UNDP Preparatory Assistance was approved in May 1978 and a consultant went to Cairo for one month in August 1978 to review the project request. UNDP assistance for full-scale Phase I project activities has now been approved.

II. Objectives and activities

4. The immediate preliminary objectives of the project are to: carry out a technical and economic evaluation of the area to determine the most appropriate route and general characteristics of the highway as well as the most suitable location and general layout of the port; and determine the approximate construction cost for the complete project.

III. Inputs

5. UNDP will finance the procurement of the non-expendable equipment, the costs of the fellowships and the subcontractor's costs for carrying out the preliminary engineering studies. Because of the various disciplines involved in this part of the study which will mainly be for short periods of time, the work will be subcontracted to an experienced consulting firm. The United Nations and the International Bank for Reconstruction and Development (World Bank) have been kept informed of these activities.

6. The Government will provide office space and furnishings plus the services of national counterpart staff and certain support personnel.

IV. Financial data

7. The expenditure components of the planned assistance are as follows:

	<u>Previously approved</u>	<u>Present approval</u>	<u>Total approved</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Personnel	5 000	-	5 000
Subcontract	-	410 000	410 000
Training	-	20 000	20 000
Equipment	-	34 000	34 000
Miscellaneous	<u>1 000</u>	<u>6 000</u>	<u>7 000</u>
	<u>6 000</u>	<u>470 000</u>	<u>476 000</u>

8. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is \$71,400 of which \$21,400 is in kind and \$50,000 is in cash (local currency).